



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Helene M. Miller-Walsh, Treasurer
Joe Walsh for Congress Committee, Inc.
830 W. Route 22 - Box 56
Lake Zurich, IL 60047

JUL 24 2015

Re: MUR 6950

Dear Ms. Miller-Walsh:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting Joe Walsh for Congress Committee, Inc. (the "Committee") and you in your official capacity as treasurer may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On July 14, 2015, the Commission found reason to believe that the Committee and you in your official capacity as treasurer violated 52 U.S.C. § 30116(f), a provision of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records, and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519. In the meantime, this matter will remain confidential in accordance with 52 U.S.C. §§ 30109(a)(4)(B) and 30109(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to you as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that the Committee and you in your official capacity as treasurer violated the law.

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We look forward to your response.

On behalf of the Commission,



Ann M. Ravel
Chair

Enclosures
Factual and Legal Analysis

cc: Joe Walsh
2210 Woodlawn Park Ave
McHenry, IL 60051

1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 RESPONDENTS: Joe Walsh for Congress Committee, Inc. and MUR 6950
6 Helene M. Miller-Walsh in her official
7 capacity as treasurer
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10 **I. INTRODUCTION**

11 This matter was generated from a Commission audit of Joe Walsh for Congress
12 Committee, Inc. ("Committee"), the principal campaign committee of Joseph "Joe" Walsh, a
13 2012 House candidate in the 8th Congressional District of Illinois. On February 12, 2015, the
14 Commission approved the Proposed Final Audit Report regarding the Committee's activity from
15 January 1, 2011, through December 31, 2012 ("Audit Report"),¹ which included a finding that
16 the Committee received excessive contributions totaling \$92,325 from 29 individuals. This
17 finding was based on the Committee's failure to resolve the excessive portions of contributions
18 by issuing reattribution or redesignation letters to the contributors or issuing timely refunds.

19 The Audit Division referred the Committee to the Office of the General Counsel
20 ("OGC") for possible enforcement action. OGC notified the Committee of the Referral and gave
21 it an opportunity to respond, but the Committee did not file a response. Based on the available
22 information, the Commission finds reason to believe that the Committee and Helene M. Miller-
23 Walsh in her official capacity as treasurer violated 52 U.S.C. § 30116(f).
24

¹ See Final Audit Report of the Commission on Joe Walsh for Congress Committee, Inc. at 8 (January 1, 2011 -- December 31, 2012).

1 **II. FACTUAL AND LEGAL ANALYSIS**

2 During the 2012 election cycle, an authorized committee was limited to receiving a total
3 of \$2,500 per election from any one person.² A primary and a general election are separate
4 elections.³ The Commission's regulations provide that if a committee receives a contribution
5 that appears to exceed the contribution limits, the committee must either refund the contribution
6 to the donor or deposit the contribution into its federal account and seek a reattribution or a
7 redesignation of the excessive portion.⁴ If, however, the committee does not receive a proper
8 reattribution or redesignation within 60 days after receiving the contribution, it must refund the
9 excessive portion to the donor.⁵

10 The Commission's regulations include procedures for reattributing or redesignating a
11 contribution.⁶ For example, a joint contribution may be attributed equally to each signatory on a
12 negotiable instrument, and a committee may reattribute a portion of a joint contribution to
13 another person on the negotiable instrument to avoid the contribution being excessive.⁷
14 Similarly, a contributor may designate a contribution to a particular election, but a committee
15 may ask a contributor to redesignate the contribution to another election to avoid it being
16 excessive.⁸ The committee must notify contributors of the proposed reattribution or

² See 52 U.S.C. § 30116(a)(1)(A), (f); 11 C.F.R. §§ 110.1(a)-(b), 110.9.

³ See 52 U.S.C. § 30101(1)(A); 11 C.F.R. § 100.2(a)-(c).

⁴ See 11 C.F.R. § 103.3(b)(3).

⁵ See *Id.*

⁶ See generally 11 C.F.R. § 110.1(b), (k).

⁷ See 11 C.F.R. § 110.1(k)(2), (3).

⁸ See 11 C.F.R. § 110.1(b)(2), (3), (5).

1 redesignation in writing and inform them that they may request a refund of the excessive portion
2 of the contribution instead.⁹

3 The audit fieldwork revealed that the Committee received \$92,325 in excessive
4 contributions from 29 individuals.¹⁰ The Audit staff informed the Committee's representative
5 that \$71,125 of the excessive contributions could be reattributed or redesignated, albeit
6 untimely.¹¹ The remaining \$21,200 could be neither reattributed nor redesignated, but needed to
7 be refunded to the contributors or disgorged to the U.S. Treasury.¹² The Audit staff also
8 provided schedules of the apparent excessive contributions along with information about the
9 necessary actions to resolve them.¹³

10 The Committee's representative informed the Audit staff that she would review the audit
11 findings.¹⁴ The Committee later untimely reattributed or redesignated \$71,125 of the excessive
12 contributions. The Committee's representative also informed the Audit staff that the Committee
13 did not have sufficient funds to refund or disgorge the remaining \$21,200 excessive
14 contributions, but that the Committee would disclose the \$21,200 as a debt on its Schedule D
15 (Debts and Obligations).¹⁵ The Committee, however, neither refunded nor disgorged the

⁹ See 11 C.F.R. §§ 110.1(b)(5), 110.1(k)(3).

¹⁰ Audit Rpt. at 8.

¹¹ Audit Rpt. at 11. The Committee issued reattribution or redesignation letters for \$11,000 of the excessive contributions during the early stage of the audit. The Committee issued reattribution or redesignation letters for \$60,125 of the excessive contributions after the audit was completed.

¹² *Id.*

¹³ Audit Rpt. at 10.

¹⁴ *Id.*

¹⁵ *Id.*

1 contributions, nor has it amended its reports to disclose the contributions as debts on its
2 Schedule D (Debts and Obligations).¹⁶ The Committee did not respond to the Referral.

3 Therefore, the Commission finds reason to believe that Joe Walsh for Congress
4 Committee, Inc. and Helene M. Miller-Walsh in her official capacity as treasurer violated
5 52 U.S.C. § 30116(f) by knowingly accepting \$92,325 in excessive contributions from 29
6 individuals.

¹⁶ Audit Rpt. at 1.1. The Commission's database shows no corresponding amendments to the Committee's 2012 disclosure reports to date.